(Rs. in lakhs)

Year	Amount released
2005-06	14.13
2006-07	46.40
2007-08	39.50
2008-09	17.50 (upto November, 2008)

Steps to resolve textile industry crisis

1075. SHRI RAJEEV SHUKLA:
SHRI V. HANUMANTHA RAO:

Will the Minister of TEXTILES be pleased to state:

(a) whether his Ministry has assured and announced that the textile sector will take right steps at the right time to resolve the textile industry crisis;

(b) if so, whether Government has decided to pay special attention to textile this year to solve the problems being faced by the sector by holding consultations with the Prime Minister;

(c) if so, the main decisions taken by Ministry to help and assist textile industry to meet the crisis;

(d) whether any special scheme of assistance has been announced by his Ministry; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) to (e) Yes, Sir. Government has announced several relief measures to support the textile industry from time to time, which has been representing that textile exports have been affected by the global recession. Steps taken by Government to help and improve textiles industry include the following:

(i) The Technology Upgradation Fund Scheme (TUFS) was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The Scheme has been further fine tuned to promote the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

(ii) To provide the textile industry with world-class infrastructure facilities for setting up their textile units, meeting international environmental and social standards, a Public-Private Partnership (PPP) based Scheme known as the "Scheme for Integrated Textile Park (SITP)" has been introduced in August 2005.

(iii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-added Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(iv) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except for 23 machinery appearing in List 49, which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues to be at 5% on most of the machinery items.

(v) Government has launched the Debt Restructuring Scheme w.e.f. September, 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(vi) Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(vii) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large-scale investments may be encouraged in these sectors.

(viii) National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

(ix) A series of relief measures to textiles exporters such as enhanced DEPB and Duty drawback rates, reduced ECGC premium, subvention on credit rates, refund of service tax paid by exporters on various services etc.;

(x) Apparel Export Promotion Council (AEPC) has established Apparel Training Design Centres (ATDCs) throughout the country to cope with the requirement of skilled/semi-skilled manpower for the textile industry.

Assistance for converting handlooms into powerlooms in Tamil Nadu

1076. SHRI S. ANBALAGAN: Will the Minister of TEXTILES be pleased to state:

(a) whether there is any proposal to render assistance to convert handlooms into powerlooms in the State of Tamil Nadu considering the presence of huge number of handlooms so as to increase the income of weavers;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?